



OFFICE OF PUBLIC INSTRUCTION

PO BOX 202501
HELENA MT 59620-2501
www.opi.mt.gov
(406) 444-3095
(888) 231-9393
(406) 444-0169 (TTY)

Linda McCulloch
Superintendent

September 11, 2007

To: Montana School Districts Providing Comprehensive School and Community Treatment (CSCT)

From: Bob Runkel, Assistant Superintendent

Re: Provider Rates

The intent of this memo is to update you on three issues concerning CSCT payments to schools.

- ◆ A change in the Federal Medical Assistance Percentages (FMAP);
- ◆ A proposed change in the fee schedule for CSCT services; and
- ◆ Implications of the changes on certified match.

Students who attend school districts providing CSCT services are able to receive valued school-based mental health services. The CSCT program has grown substantially in recent years. There are currently over 100 CSCT programs in our schools and schools receive over \$8 million in Medicaid funding for providing CSCT services. A change in the FMAP rate and a proposed fee schedule increase will impact districts that provide these important services.

FMAP

Effective October 1, the FMAP changes from .6911 to .6853. The FMAP is set annually and determined under federal regulations. The declining FMAP means that the federal share of the payment for a unit of service drops while the share of the school district certified match goes up.

The current CSCT fee schedule per 15-minute unit of service is \$25.09. Applied to the fee schedule is a Resource-Based Relative Value Scale (RBRVS) and the FMAP rate to arrive at the federal share per 15-minute unit of service. [Fee Schedule (\$25.09) X RBRVS (.9) X FMAP (.6911) = \$15.61.] In other words, the current federal share of the Medicaid payment for a unit of CSCT services is \$15.61.

Assuming there is no change to the fee schedule, the changed FMAP means that the federal share of the Medicaid payment per unit of CSCT service will drop from \$15.61 to \$15.47. Importantly, the required school district certified match per unit of service goes up from \$6.98 to \$7.11.

Fee Schedule

The Department of Public Health and Human Services (DPHHS) routinely applies an inflationary adjustment to the fee schedule. The purpose of the inflationary adjustment is to ensure that the fee schedule reflects the cost of providing services and to ensure that there is enough of a financial incentive to retain an adequate pool of providers so that Medicaid recipients have access to services. We expect that the DPHHS will be proposing a CSCT fee schedule increase for services rendered on or after October 1, 2007, and a second adjustment for services rendered on or after October 1, 2008. The proposed

"It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve."

increase in fees is consistent with the inflationary increase that schools received in the form of base aid for the 2009 biennium. This increase was 2.76 percent for the 2007-2008 school year and 3.0 percent for the 2008-2009 school year.

If the proposed rate increase is granted, the current fee schedule per unit of service will go up from \$25.09 to \$25.78 on October 1, 2007, and to \$26.56 on October 1, 2008. An increase in the fee schedule will result in an increase in the federal payment per unit of service. Accordingly, beginning on October 1, 2007, the federal share of the Medicaid payment would increase to \$15.90 and \$16.38 on October 1, 2008. A corresponding increase in the required school district certified match will also occur.

Certified Match

For providers of CSCT services, the proposed 2.76 percent and 3.0 percent increase in the fee schedule will offset, and then some, the decline in the federal share of the payment for a unit of CSCT service when the change in the FMAP rate is applied. It should be pointed out, however, that the combination of the change in the FMAP, coupled with the fee schedule increase, will impact the certified match requirement for districts. Districts are currently providing certified match in the amount of \$6.98 per unit of service. Assuming the proposed fee schedule rate increase becomes effective October 1, 2007, the certified match per unit of service will increase to \$7.30, and on October 1, 2008, it will increase to \$7.52. The October 1, 2007 increase is 4.58 percent from the current level for certified match. The October 1, 2008, increase is 7.74 percent from the current level for certified match.

Please contact me at 444-4434 or by e-mail at brunkel@mt.gov if you need any further explanation or you wish to express a concern with, or support for, the proposed fee schedule increase. The data table below reflects the above narrative discussion.

Rate Calculation Methodology					
(Fee Sched) X (RBRVS Reduction Factor) X FMAP Rate = Reimbursement					
	fee sched	rbrvs	fmap	rate	Amount School Providers must match per unit
Current:	\$25.09	0.9	69.11%	\$15.61	per 15 min unit \$6.98
FFY 2008	\$25.09	0.9	68.53%	\$15.47	per 15 min unit \$7.11

Methodology applying OPI supplied inflation rate increase of 2.76% in 10/2007 and 3% in 7/2008

Oct-07	\$25.78	0.9	68.53%	\$15.90	per 15 min unit \$7.30
Jul-08	\$26.56	0.9	68.53%	\$16.38	per 15 min unit \$7.52

FMAP Rates		
FFY 2007	Montana	69.11%
FFY 2008	Montana	68.53%

Source: <http://aspe.hhs.gov/health/fmap.htm> 5/25/07